

**APPLICATION OF**  
**LEGACY LONG DISTANCE INTERNATIONAL, INC.**

**EXHIBIT III**

Financial Statements

Balance Sheet

**Legacy Long Distance  
Income Statement  
For Year Ending: Dec. 31, 2007**

**Income**

Long Distance Service Revenues	
LD Service Rev. 0+ BSG	\$20,820,022
LD Service Rev. 0+ TBR	\$4,117,593
LD Service Rev. 0+ INT'L	\$2,501,001
LD Service Rev. 0+ CLEC	\$1,741,355
LD Service 0+ ILD	\$9,298
LD Service Rev. 1+ Direct	\$1,650,486
LD Service Rev. Dial Tone Direct	\$335,724
<b>TOTAL Long Distance Service Revenues</b>	<b>\$31,175,480</b>

Rejcts	-\$1,128,367
TBR - Charge Backs	-\$45,336
Bonus Revenue 0+	-\$750
Other revenues	\$1,890
<b>TOTAL Income</b>	<b>\$30,002,917</b>

Adjustments	
Rev. Adjust. 0+	\$59,523
<b>TOTAL Adjustments</b>	<b>\$59,523</b>
<b>NET INCOME</b>	<b>\$30,062,440</b>

**Cost of Goods Sold**

Cost of Good Sold	\$23,989,934
<b>TOTAL Cost of Goods Sold</b>	<b>\$23,989,934</b>
<b>GROSS PROFIT</b>	<b>\$6,072,506</b>

**Expenses**

Operations expenses	\$2,470,010
Sales and marketing expenses	\$797,296
MIS expenses	\$286,451
Network Maintance	\$603,205
General and administrative	\$1,568,246
Depreciation and amortization	\$113,375
<b>TOTAL Expenses</b>	<b>\$5,838,582</b>
<b>OPERATING PROFIT</b>	<b>\$233,923</b>

**Other Income & Expenses**

Interest income	\$655
Miscellaneous expense	-\$900
<b>TOTAL Other Income &amp; Expenses</b>	<b>-\$245</b>
<b>PROFIT BEFORE TAXES</b>	<b>\$233,678</b>

**Provisions for Taxes**

Federal income tax provision	\$25,099
State Taxes Misc	\$5,925
State Taxes Excise/Gross Rcpt	\$134,106
<b>TOTAL Provisions for Taxes</b>	<b>\$165,130</b>
<b>NET PROFIT</b>	<b>\$68,548</b>

Legacy Long Distance  
Balance Sheet  
As of: December 31, 2007

**ASSETS**

**Current Assets:**

Checking-Main	(\$2,843.27)
Checking-Payroll	-147,234.58
Checking-Santa Cruz	387.13
Checking-1+ Int. Bearing	7,347.23
Checking-Tax Account	102,852.01
Accounts recievable 0+/1+	6,484,752.26
Allowance doubt. accts. 0+/1+	-3,182,658.12
Cash advances	8,794.23
<b>TOTAL Current Assets</b>	<b>\$3,271,396.89</b>

**Fixed Assets:**

LLDI/Prop., plant & equip, net	\$890,221.58
LLDI/PP&E - Finance/Corp G&A	-731,897.92
Accum. Depr. - Fin./Corp. G&A	-808.74
Accum Depr. Auto	16,175.01
Auto	4,600.00
Lease Hold Improvement	178,289.93
<b>TOTAL LLDI/Prop., plant &amp; equip, net</b>	<b>178,289.93</b>
Accum. Amort. - Telecom Eq. 0+	18,394.72
<b>TOTAL Fixed Assets</b>	<b>196,684.65</b>

**Other Assets:**

Notes Receivable - RQuinto	37,396.00
<b>TOTAL Other Assets</b>	<b>37,396.00</b>
<b>TOTAL ASSETS</b>	<b>\$3,505,477.54</b>

**LIABILITIES**

**Current Liabilities:**

Payables Commissions	\$797,596.19
Payables Expenses	271,390.81
Accrued Vacation	100,212.50
Accrued Liab. - Granishment	1,456.07
Loan Payable - BSG	2,127,140.61
<b>TOTAL Current Liabilities</b>	<b>\$3,297,796.18</b>

<b>TOTAL LIABILITIES</b>	<b>3,297,796.18</b>
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**CAPITAL**

Common Stock	112,411.56
Retained earnings (accum def).	26,721.87
Year-to-Date Earnings	68,547.93
<b>TOTAL CAPITAL</b>	<b>207,681.36</b>
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>\$3,505,477.54</b>